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INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
RUEHME/AMEMBASSY MEXICO PRIORITY 5563
RUCNDT/USMISSION USUN NEW YORK PRIORITY
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RUEHGV/USMISSION GENEVA PRIORITY 0378
RUEAIIA/CIA WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY
RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY
RUEAHLA/HOMELAND SECURITY CENTER WASHINGTON DC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 05 MANAGUA 001329

SIPDIS

DEPT FOR WHA/CNE
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DEPT PLEASE PASS TO USAID/W, USAID/DCHA AND USAID/OFDA
USAID/W FOR A/AID HFORE
SOUTHCOM PLEASE PASS TO JTF-BRAVO
SOUTHCOM FOR SCJ3
SAN JOSE FOR OFDA SENIOR REGIONAL ADVISOR

E.O. 12958: DECL: 09/08/2018
TAGS: [EAID](#) [PGOV](#) [MOPS](#) [AEMR](#) [CASC](#) [KPAO](#) [NU](#)
SUBJECT: HURRICANE FELIX - ONE YEAR LATER

REF: A. MANAGUA 1136
[1](#)B. 2007 MANAGUA 2417
[1](#)C. 2007 MANAGUA 2325
[1](#)D. 2007 MANAGUA 2211
[1](#)E. 2007 MANAGUA 2168
[1](#)F. 2007 MANAGUA 2148 AND PREVIOUS
[1](#)G. 2007 MANAGUA 2070

Classified By: Ambassador Robert Callahan for reasons 1.4 (b) and (d)

[1](#)1. (C) SUMMARY: On September 4, 2007 Hurricane Felix made landfall in one of the poorest regions of Nicaragua, the North Atlantic Autonomous Region (RAAN). The devastation by this Category 5 hurricane in Nicaragua was horrific; the government estimates 102 people died, and the storm destroyed thousands of homes and businesses, and damaged dozens of schools, community centers, and churches. The United States was the first country to arrive with relief, and the largest single source of international aid, approximately \$15.7 million. U.S. and other foreign assistance played a key role both in immediate humanitarian relief and subsequent efforts of economic reconstruction. However, more than a year later, government corruption and its efforts to politicize international aid have stymied reconstruction and indeed, may have magnified the psychological, physical, social and economic problems of the region exacerbated by the storm's arrival. END SUMMARY.

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The Perfect Storm
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[1](#)2. (SBU) Hurricane Felix, a Category 5 hurricane with 160 mph winds, slammed into the Atlantic Coast of northeastern Nicaragua and southeastern Honduras on September 4, 2007. Official sources reported that the storm killed 102 people, but NGOs reported more than 300 people perished, including 25 Miskito fishermen lost at sea. The hurricane completely destroyed the villages and naval outpost on the Miskito Keys, low level islands located approximately 43 miles from Bilwi,

the largest city in the RAAN. In the Puerto Cabezas municipality (which includes the city of Bilwi), the high winds damaged nearly every roof and many buildings were leveled. GON officials estimated that the storm destroyed more than 10,000 homes (most of them in Bilwi) and that approximately 200,000 people were affected. Along the Mosquito Coast, flooding and mudslides ruined homes and blocked highways. There were almost no supplies and services available in the aftermath of the storm to address the devastation other than U.S. Government relief supplies, pre-positioned before the hurricane season by the Red Cross. The day after the catastrophe President Ortega visited Bilwi and promised to rebuild the damaged homes and help the victims. Two days later, U.S. Ambassador Trivelli visited the region and brought actual aid.

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Struggling Population
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13. (C) One year after the hurricane little has changed. Despite tens of millions of dollars of construction assistance and building supplies from several international donor nations and NGOs, most RAAN hurricane victims have not been able to rebuild their homes. Many victims feel that the government has not helped them enough. One exception may be the community of Tuapi, where the Venezuelan government donated zinc/steel roofing materials to help victims rebuild. However, in other communities, such as Sandy Bay, victims openly criticize public officials for their failure to provide relief assistance after more than a year. It is not a coincidence that Sandinista-Yatama Deputy Brooklyn Rivera and Yatama Bilwi Mayor Elizabeth Enriquez, who were both born in Sandy Bay, have still not visited the community since the catastrophe.

14. (C) Hurricane victims not only suffer from physical deprivation caused by the hurricane, but also continue to suffer psychologically one year later. There are many schools still in need of refurbishment, preventing school-aged children from returning to normal routines. For example, students in Sinsin are still attending classes under tents or in the open air surrounded by pigs and chickens. Adults feel hopeless and are unmotivated; there are reports of depression and violent crimes within the communities.

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Economic Woes
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15. (SBU) The RAAN was already one of the poorest and least-developed regions of Nicaragua before Hurricane Felix struck. GON officials estimate that the hurricane caused approximately C\$869.3 million (US \$46.7 million dollars) of damage. The storm disrupted local businesses and created higher unemployment. For example, in Bilwi/Puerto Cabezas the storm surge destroyed fishing fleets and killed 25 Miskito fisherman. Since the storm, the cost of living in the RAAN has increased more than four times. For example, prior to the hurricane, a pound of rice cost C\$3.50 (US \$.18). Now a pound of rice costs C\$13.00 (US \$.70).

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Broken Promises
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16. (SBU) President Ortega made an international plea for \$292 million dollars to rehabilitate the RAAN soon after the storm struck. One year later, the GON has not announced the official amount of aid received or distributed. Unofficially, media sources estimate that between \$50 to \$100 million dollars of aid came to Nicaragua. Ortega also promised to organize a Consulting Group by February 2008 to coordinate the international donations. One year later, the group still has not formed. In mid-April, Vice Minister of Foreign Affairs Valdrac Jaentsce stated that instead of organizing a consulting group to coordinate international aid, the GON would establish an international forum to

transform disaster aid into development proposals. This still has not happened. Now the GON intends to organize a Global Roundtable on International Cooperation that will focus on the RAAN.

17. (C) On September 1, 2008, RAAN Governor Reynaldo Francis stated that the region needed \$320 million in disaster relief and that the World Bank had already approved \$17 million. The Ministry of Family (MIFAMILIA), one year later, has still not made an exact census of the hurricane victims. Nevertheless, Francis estimated that the GON has provided assistance to approximately 35 to 40 percent of hurricane victims. However, the NGO Center for Justice and Human Rights of the Atlantic Coast (CEJUDHCAN) estimates that the regional government has only addressed, at best, one fourth of the population affected by the disaster.

The U.S. and NGOs to the Rescue

18. (SBU) NGOs and international donor nations have been essential to the RAAN recovery from Hurricane Felix and are the main sources of aid to remote areas of the RAAN, delivering not only immediate economic and disaster relief but also providing valuable training to help victims become economically self-sustaining. According to media reports, approximately 34 NGOs actively ran programs in the RAAN. International aid organizations and NGOs cooperating in the RAAN include: USAID, Accion Medica Cristiana (AMC), Action by Churches Together (ACT), Assistance from the Norwegian Church, CARE International, International Institute of Rural Reconstruction (IIRR), Canadian International Development Agency (CIDA), Adventist Development and Relief Agency (ADRA), Canadian Food Grains Bank, Catholic Relief Services (CRS), Diakonia Sweden, Pan American Health Organization (PAHO), Spain Pharmaceuticals, the Spanish Agency for International Cooperation, Canadian Local Initiative Fund, Horizon 3000 (the Austrian Organization for Cooperation and Development), Intermon Oxfam, UNICEF, Oxfam England, Tearfund England, European Community Humanitarian aid office (ECHO), World Vision, and the Christian Action Commission among others. The Moravian Church also played a key role in coordinating relief efforts locally.

19. (SBU) The United States was the first country to arrive in relief, and the largest single source of international aid, approximately \$15.7 million in humanitarian assistance and economic development, airlift costs, and financing for home mortgages to help hurricane victims (see REF E and F). Victims were pleased that Ambassador Trivelli visited shortly after the catastrophe. By the one year anniversary, USAID provided humanitarian assistance and economic development of approximately \$7.2 million through a dozen implementing partners, including: the Nicaraguan Red Cross (NRC), ADRA, CRS, PAHO, CARE, Mision para Cristo, Moravian Church, and Save the Children. Almost half of the USAID humanitarian assistance went through the World Food Program, which received approximately \$3 million to address food shortages by providing two thousand metric tons of rice and 680 metric tons of fortified cereals. The Department of Defense (DOD) provided approximately \$1.5 million in airlift cost to bring emergency relief to the region. The U.S. Overseas Private Investment Corporation (OPIC) support for mortgage lending amounted to \$7 million, and Ambassador Trivelli invited one of Nicaragua's largest banks to open a branch in Bilwi to provide construction and housing loans. In addition, USAID and the Office of U.S. Foreign Disaster Assistance (OFDA) implemented emergency assistance for flood victims of approximately \$700,000, through CRS, Save the Children and ADRA.

110. (SBU) Other NGOs, such as AMC, provided humanitarian assistance and trained hurricane victims in rural areas on improved cultivation techniques. While the 2007 harvest was lost because of the hurricane, AMC training helped communities harvest 9 million kilograms (19.8 million pounds) of beans and cultivate approximately 3,500 hectares of rice

in Waspam. AMC community coordination established an early alarm system for emergencies, evacuated people from Cabo Viejo, constructed seven shelters and initiated 18 emergency projects in communities such as Tasba Pri, Raudales, and Rio Coco. AMC also distributed food, materials, domestic supplies, shelters, water, medicine and coordinated transportation and storage in Tasb Pri, Bilwi, and Waspam. AMC,s aid amounted to over \$800,000 dollars during the immediate aftermath of the emergency. One year after the storm, AMC continues to provide rehabilitation assistance by improving agriculture production, reconstructing infrastructure, digging wells and latrines, and providing health care and emotional recovery.

¶11. (SBU) USAID funded programs to several NGOs, donating fishing nets, boats and seeds to revive the agriculture and fishing sectors damaged by the storm. For example, ADRA programming included agricultural rehabilitation assistance that included seeds, fertilizer and tools to cultivate 1,808 hectares. However, community members complained that the donated seeds came too late in the season to be effective (June instead of March). For instance, the rainy season destroyed the cassava crop because it was planted too late.

¶12. (C) Independent press in Puerto Cabezas has consistently recognized the U.S. Government as the most effective aid donor in the aftermath of the catastrophe. However, Sandinista controlled media have emphasized Venezuelan and Cuban aid.

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Government Corruption - the Biggest Obstacle
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¶13. (C) There are many reports in the media and by our RAAN contacts that the central government has been negligent in estimating and providing relief. Contacts tell us that the initial response to the disaster by the GON was slow - three days after local NGOs had begun providing relief. Within two weeks after the catastrophe, GON required all aid groups to have a GON representative or someone from the Mayor,s office with them to exert control over the relief effort. Through-out the past year, the GON has practiced a policy of secrecy regarding aid statistics, distribution of aid, and economic relief for hurricane victims. GON relief programs were disorganized and ineffective. Certain government leaders, including the mayor of Bilwi, have allegedly used international relief funds and construction materials for personal projects instead of channeling it through public distribution systems. There have been complaints that GON authorities consistently block civil society and private initiatives to act in the disaster zone. Other NGOs complained that GON officials sought bribes in exchange for authorization to work in the RAAN (see REF C).

¶14. (C) NGOs and community leaders criticize the local, regional and central government for corruption and politicizing the international aid by failing to distribute it fairly and transparently to the whole population. For example, GON authorities estimate that they distributed 14,836 tons of food to approximately 180,000 people in the RAAN during the past year. The food donations were controlled by the Citizens Power Councils (CPCs), which are directed by the FSLN leadership. Our contacts report that Yatama-FSLN party members received preferential treatment, and that non-party members were prohibited from receiving food aid. There were also reports that food donations were sent to Managua and later illegally sold into local markets.

¶15. (C) According to media reports and NGOs, the GON distributed less than 30 percent of the construction materials that they promised to the affected population. Instead, NGOs and international aid organizations have constructed the majority of the new homes in the RAAN one year after the catastrophe. For example, the GON did not distribute all of the Venezuelan donations of zinc/steel roofing materials to the general population; instead it was

given to Yatama-FSLN supporters and the remainder was left to rust in the Port Institute (EPN) fields.

¶16. (C) The Nicaraguan National Institute of Forestry (INAFOR) Director William Schwartz stated that Hurricane Felix,s powerful winds leveled approximately 10 million cubic meters of lumber, of which, only six million cubic meters could be salvaged due to limited access and capacity. The GON and RAAN regional government purchased five portable sawmills to help community members rebuild their homes using salvaged lumber. Ortega issued decree 42-2008 that suspends the prohibition against exporting salvaged lumber, and the National Assembly has initiated legislation to allow the RAAN to benefit from selling the salvageable lumber. However, our contacts in the RAAN report that the GON is granting preferential access and lumber rights to FSLN-Yatama supporters, in addition to commercial rights already given to U.S. and Canadian companies. There were also reports by our RAAN contacts that CPC leader and FSLN Mayoral candidate Guillermo Espinoza was using salvaged lumber to buy votes, telling voters to &vote for me and I,ll give you wood to build your houses.

¶17. (C) Throughout the year the FSLN and CPCs have used their control over the distribution of aid to keep party members loyal, to campaign, and to buy votes. Political parties used the anniversary of Hurricane Felix for their own campaign purposes. After Yatama withdrew from its election alliance with the FSLN (see RefTel A), Yatama as well as the ALN political party presented their Puerto Cabezas mayor candidates during the memorial dedication at Miskito Key.

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COMMENT
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¶18. (C) Hurricane Felix was one of the worst natural disasters to strike Nicaragua,s RAAN. The 160 mph storm winds and surge devastated coastal communities, disrupted the economy, and destroyed thousands of homes, as well as hundreds of schools, churches and community buildings. The first wave of help from international aid organizations and local NGOs answered the call to bring immediate relief and disaster assistance in the storm,s aftermath. More than a year later, many NGOs have remained active in helping thousands of poor families reconstruct their homes, farms and lives. Meanwhile, the FSLN-Yatama controlled local, regional and central governments have failed to provide transparency and impartiality in the distribution of government aid programs. Aid has been used primarily for political purposes instead of helping the victims -- the CPCs and FSLN-Yatama political alliance tightly controlled the distribution of relief, to encourage party loyalty, consolidate power, and buy votes for the upcoming municipal election. By most counts, the region remains devastated, with only 25 to 30 percent of the victims ever receiving assistance one year after the storm.

CALLAHAN